

**TOWN OF DAVIE
TOWN COUNCIL AGENDA REPORT**

TO: Mayor and Councilmembers

FROM/PHONE: Kristi Caravella, Town Administration 797-2099

PREPARED BY: Kristi Caravella

SUBJECT: Resolution: PROPERTY AND CASUALTY PARTICIPATION
AGREEMENT
EXTENSION

AFFECTED DISTRICT: N/A

ITEM REQUEST: Schedule for Council Meeting

TITLE OF AGENDA ITEM: AGREEMENT EXTENSION - A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE MAYOR TO EXECUTE A ONE (1) YEAR EXTENSION OF THE CURRENT PROPERTY & CASUALTY PARTICIPATION AGREEMENT WITH THE PREFERRED GOVERNMENTAL INSURANCE TRUST (PGIT) PROVIDING FOR PROPERTY, AUTO LIABILITY, GENERAL LIABILITY, AND WORKERS' COMPENSATION INSURANCE COVERAGES TO BE EFFECTIVE OCTOBER 1, 2008. (\$1,142,588.50)

REPORT IN BRIEF: This year will be the second renewal/extension of the agreement with PGIT. With the current market as it is and given the excellent working relationship between the Town and PGIT, it is in the best interest of the Town to renew the current agreement for an additional year. This year's renewal will save the Town \$121,555 in casualty coverages. The workers compensation (WC) policy is currently written on a first dollar – no deductible basis and would have been \$157,575 higher than the expiring policy due to our experience modification factor changing from .74 to 1.11. With the help of our insurance agent, staff used the past five years of worker's compensation claims to determine an average number of claims each year. After reviewing these numbers, the current policy premiums, and deductible/self insured retention (SIR) options with the Human Resources Director, it was determined a \$350,000 SIR would save the Town the most premium. The Town is estimated to save approximately \$390,000 per year in total WC costs including the WC policy premium, TPA costs for handling the claims, state assessment taxes, and the cost of the claim itself by making this change.

In addition, The PGIT loss control representative has been working closely with the Town this year to further reduce injuries to town staff and residents by aiding with the revamping of our safety committee and assisting in the implementation of a Town-wide

safety training program. The Town will continue to work with PGIT through the Human Resources Department to execute a Town-wide accident review board to bring accountability to employees using Town vehicles. This will enable us to achieve the casualty premium savings.

PREVIOUS ACTIONS: On October 1, 2006, Council approved the one-year participation agreement with up to four additional one-year renewals or extensions, for property, auto liability, general liability, and worker's compensation insurance between the Town of Davie and The Preferred Governmental Insurance Trust (PGIT). The 2007 renewal, or the first agreement extension, saved an additional 16%, or \$575,730.

CONCURRENCES: The Human Resources Department concurs with the decision to renew the participation agreement.

FISCAL IMPACT: Yes

Has request been budgeted? Yes

Insurance is an on-going annual expense for the Town of Davie.

If yes, expected cost: \$1,142,588.50

General Liability	\$337,404
Public Officials	\$ 40,000
Employment Liability	\$ 30,000
Law Enforcement Liability	\$150,000
Auto Liability and Physical Damage	\$345,125
Excess Worker's Compensation	\$195,023
Crime	\$ 5,100.50
AD&D	\$ 15,200
Boiler & Machinery	\$ 5,986
(6 month extension)	
Excess Property and Wind	\$ 18,750
(6 month extension)	

PGIT Property & Casualty Program Total: \$1,142,588.50

Account Name: Multiple Insurance, Self-Insurance Deductible Funds and Payroll
Accounts

RECOMMENDATION(S): Motion to Approve this Resolution

Attachment(s): Resolution

RESOLUTION _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE MAYOR TO EXECUTE A ONE (1) YEAR RENEWAL OF THE PROPERTY & CASUALTY PARTICIPATION AGREEMENT WITH THE PREFERRED GOVERNMENTAL INSURANCE TRUST (PGIT) PROVIDING FOR PROPERTY, AUTO LIABILITY, GENERAL LIABILITY, AND WORKERS' COMPENSATION INSURANCE COVERAGES TO BE EFFECTIVE OCTOBER 1, 2008.

WHEREAS, the Town of Davie is in need of Property and Casualty Insurance to protect the assets and financial stability of the Town of Davie as well as to provide for Workers' Compensation Coverage for its employees; and

WHEREAS, The Town of Davie and Public Risk Insurance Agency (PRIA) as the administrator of the Preferred Governmental Insurance Trust (PGIT) have a good working relationship; and

WHEREAS, it is in the Town's best interest to execute a one-year renewal of the agreement for such services with Preferred Governmental Insurance Trust (PGIT).

NOW, THEREFORE, BE IT RESOLVED, THAT THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council approves the Preferred Governmental Insurance Trust (PGIT) Participation Agreement and authorizes the Mayor to execute the renewal of this Participation Agreement with the Preferred Governmental Insurance Trust (PGIT), providing for property, auto liability, general liability, workers' compensation and ancillary insurance coverage's to be effective October 1, 2008, to execute the SIR bank account to fund worker's compensation claims, and to provide that the agreement may be renewed or extended for up to two (2) additional annual terms without soliciting proposals. Extensions, if appropriate, will be presented to the Town Council for approval.

SECTION 2. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS ____ DAY OF _____, 2008

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS ____ DAY OF _____.



TOWN OF DAVIE TABLE OF CONTENTS

Overview	1
The Agency of Public Risk Insurance Agency	
Preferred Governmental Insurance Trust	
PGIT Board of Trustees and Risk Advisory Members	
An Introduction to Your Service Team	
Property	2
Boiler & Machinery	3
Crime/Employee Dishonesty	4
General Liability	5
Coverage Extensions	
Law Enforcement Liability	6
Automobile Liability & Physical Damage	7
Public Officials & Employment Practices Liability	8
Workers' Compensation	9
Claims Service	10
Safety and Risk Management Services	
Broker Recommendation/Premium Recapitulation	11
Notes of Importance	
Compensation Disclosures	
Carrier Financial Status	
Guide to Best's Ratings	
Items Required Prior to Binding	12
Acknowledgement of Non-Admitted Carrier	



Public Risk Insurance Agency (PRIA) has established itself as one of the premier insurance services organizations for public entities in the United States. Our in-depth understanding of the unique risk exposures and operating environment of public entities allows us to tailor insurance products and services to effectively meet their needs. As the only independent insurance agency solely dedicated to the public entity market, we are uniquely qualified to meet and exceed the expectations of our clients. Our 15 years of insuring local governments has afforded us significant experience and insight into the unique challenges and constraints that our clients face.

In March 2000, PRIA became part of the Brown and Brown, Inc. family of agencies. The merger combines the talents of PRIA's highly specialized public entity group with the resources of the sixth largest independent insurance agency in the United States.

As a Brown and Brown company, PRIA has access to hundreds of insurance markets nationwide. With premium volume exceeding \$2,500,000,000, Brown and Brown is the largest agent for many national insurance companies. The buying power and premium leverage within the organization is surpassed by few agencies.

PRIA focuses on developing innovative approaches towards managing your risk. Cost effective insurance products, professional service, and commitment to client's needs are our primary goals. Proof of account satisfaction is reflected by a 97% business retention rate.



PREFERRED GOVERNMENTAL INSURANCE TRUST (PGIT) OVERVIEW

Preferred Governmental Insurance Trust (PGIT) represents the most financially secure alternative for municipalities, counties, special districts and schools for property, liability and workers compensation insurance coverages, with a foundation built upon a personalized service commitment to its members, customized loss control initiatives and aggressive claims management. Specific coverages available through PGIT include:

Property and Equipment Breakdown	General Liability
Contractor's Equipment	EMT/Paramedic Professional Liability
Electronic Data Processing	Law Enforcement Professional Liability
Miscellaneous Inland Marine	Employee Benefits Administration Liability
Crime	Automobile Liability and Physical Damage
Bonds (Employee Dishonesty)	Public Officials Liability
Environmental Impairment Liability	Workers' Compensation

A variety of pricing options are available, from traditional guaranteed cost to deductible programs, to loss sensitive retrospective rating plans.

Following is a brief overview of the Trust structure and service components:

1. Legal Structure

- Multi-line intergovernmental pool
- Governed by Board of Trustees comprised of elected officials

2. Marketing

- Public Risk Underwriters, Lake Mary, Florida
- Kurt Heyman, Vice President-Marketing
- Margaret Gross, Director of Marketing

3. Underwriting

- Public Risk Underwriters, Lake Mary, Florida
- Mike Scholl, Vice President, Underwriting
- DJ Lebo, Director of Underwriting

4. Loss Control

- Mike Marinan, Senior Safety & Risk Management Consultant
- Mike Stephens, Safety & Risk Management Consultant
- State of Florida approved program



5. Policy Issuance

- Public Risk Underwriters, Lake Mary, Florida
- Navrisk Management System
- Integrates interlocal agreement to participate with NCCI rules and regulations

6. Auditing

- Public Risk Underwriters, Lake Mary, Florida
- Quarterly self audits for Workers' Compensation

7. Claims

- Contractually provided for PGIT by Preferred Governmental Claims Solutions located in Lake Mary, Florida
- Toll free Workers' Compensation first notice of injury reporting line (866) 683-7710
- Toll free Workers' Compensation claims servicing line (800) 237-6617
- Toll free Property & Casualty claims servicing line (800) 237-6617

8. Accounting

- Larry Shores, CPA, External Accountant, Shores & Company
- Specializes in intergovernmental pools
- Audited financial statements as required by the State of Florida

MISCELLANEOUS INSURANCE COVERAGES

To fully serve our clientele, Public Risk Insurance Agency can offer coverage for other exposures such as:

Bonds	Accidental Death & Dismemberment
Fiduciary Liability	Special Events
Primary and Excess Flood	Airport Liability
Workers' Compensation	Aboveground & Underground Petroleum Tank Liability
Environmental Liability	



Preferred Governmental Insurance Trust Board of Trustees

Chair	Dwight E. Wolf	Mayor – City of Wildwood
Vice Chairman	Charles Walsey	Chairman - Cypress Grove CDD
Secretary	Joanna Wilkinson	Mayor – City of Haines City
Board Member	Robert Walker	Mayor – City of Springfield
Board Member	Tom Rice, Sr.	Vice Chairman – South Indian River WCD
Board Member	Joseph W. Gilliam	Clerk of County Court – Gilchrist County
Board Member	Welton Cadwell	Commissioner - Lake Sumter EMS
Board Member	Mary Martin	Councilwoman – City of Port Orange

Preferred Governmental Insurance Trust Risk Advisory Board

Carol Holtz	St. Johns County School Board	Risk Manager
Lori Parsons	City of Naples	Risk Manager
Renee' Stockwell	City of Bradenton	Risk/Safety Manager
Tera Townsend	Sumter County BOCC	Risk Management Coordinator
Gerard Visco	Brevard County BOCC	Risk Manager
Michael Quigley	City of Cape Coral	Risk Manager
Chuck Magazine	Boynton Beach	Risk Manager
Denise Manuel	Gulf County BOCC	Director of HR & Risk Manager
William Bryan	Citrus County BOCC	Risk Manager
Alan Bullock	City of Venice	Risk Manager
Wolfgang Halbig	Lake County School Board	Risk Manager
Keri Martin	City of Winter Park	Risk Manager
Joel McPherson	City of Titusville	Risk Manager
Darrell Remole	Town of Jupiter	Risk Manager
Christina Hannon	City of Ormond Beach	Risk Manager



AN INTRODUCTION TO YOUR SERVICE TEAM

W. Paul Dawson

Executive Vice President / Profit Center Leader

Michelle Martin

Vice President /Account Executive

Brian Cottrell

Vice President /Account Executive

Alan Florez

Vice President /Account Executive

Tim Templeton

Account Executive

Sharon Gall

Vice President /Account Executive

Ann Hansen

Director of Operations

Linda Burtchett

Account Representative

Stephanie Mayo

Account Representative

Robin Faircloth

Account Representative

Robin Riley

Account Representative

Will assist with daily servicing of your account, including endorsements, client services, accounting and quality assurance.

Our Service Team philosophy focuses on accountability at all levels of account management. Our goal is not simply to meet your service needs, but to exceed them. All of the employees at PRIA are dedicated to achieving this goal and distinguishing ourselves from the competition. Resumes' for the above referenced personnel are included with this proposal for your review.



**TOWN OF DAVIE
PROPERTY – EXCLUDING WIND**

Term: Extend Current policy until 4/1/09

Company: Landmark Insurance Company

TIV: \$80,454,248 Scheduled as written. It will be endorsed if We need to increase the values.

Perils Insured: All Risk Excluding Wind, Hail, Flood and Quake and Mechanical Breakdown

Valuation: Replacement Cost on Buildings and Contents

Coinsurance: NIL

Limit: \$40,000,000 in excess of \$10,000,000 per occurrence,
Not to exceed reported values

Deductible: \$10,000,000 and primary AOP deductibles

Location: per schedule on file with company

Special Conditions:

1. Forms: Landmark Excess Physical Damage Form
2. 35% Minimum Earned Premium
3. Occurrence Limit of Liability Endorsement
4. **Excludes: Pollution, Contamination, Debris Removal and Y2K, Terrorism
Mold/Fungus, Wind/Hail**
5. Standard ISO Exclusions
6. Excludes Data Corruption
7. 30 Day Notice of Cancellation except 10 days for non-payment of premium.
8. Quotation FOR EXTENSION is valid until 10/1/08 12:01am. File will be closed if a bind order is not received by then.
9. The premium is due within 20 days of 10/1/08.

THIS EXTENSION QUOTE DOES NOT PROVIDE ANY COVERAGE FOR WIND, HAIL, WIND DRIVEN RAIN, WIND DAMAGE OF ANY KIND, OR ANY DAMAGE CAUSED DIRECTLY OR INDIRECTLY BY WIND OF ANY KIND.

DOES NOT INCLUDE TRIA (PREMIUM RECAP PAGE DOES NOT INCLUDE PREMIUM FOR TRIA)



**TOWN OF DAVIE
BOILER AND MACHINERY EXTENSION**

Term: Extend Current policy until 4/1/09
Company: Landmark Insurance Company
Carrier: Continental Casualty
(Rated A, XV by AM Best)

Same terms and conditions as current policy.



CRIME

Term: October 1, 2008 to October 1, 2009

Company: Travelers Casualty and Surety Company of America
(Rated A+, XIII)

Limits of Liability and Coverage:

Employee Dishonesty	\$1,000,000 per Loss
Deductible	\$ 25,000
Theft, Disappearance, and Destruction	
Inside Premises	\$1,000,000 per Loss
Deductible	\$ 25,000
Outside Premises	\$1,000,000 per Loss
Deductible	\$ 25,000
Forgery or Alteration	\$1,000,000 per Loss
Deductible	\$ 25,000
Computer Fraud	\$1,000,000 per Loss
Deductible	\$ 25,000

Notes of Importance:

1. Employee dishonesty coverage is excess for those employees required by law to be individually bonded.
2. Electronic Transfers are automatically covered under Computer Fraud.
3. Includes Faithful Performance.

This proposal is intended to give a brief overview. Please refer to coverage forms for complete details regarding exclusions and limitations.



**TOWN OF DAVIE
GENERAL LIABILITY**

Term: October 1, 2008 to October 1, 2009

Company: Preferred Governmental Insurance Trust (PGIT)

Form: Occurrence

Limits of Liability:

Primary Bodily Injury and Property Damage Liability – Combined	\$1,000,000 per Occurrence
General Aggregate	\$10,000,000 Annual

Deductible: \$0 per Occurrence

Coverage:

- | | |
|---|--|
| 1. EMT/Paramedic Professional Services | 11. Employee Benefits Liability |
| 2. Premises Operations | 12. Failure To Supply Water |
| 3. Products and Completed Operations | 13. Principle of Eminent Domain Including Inverse Condemnation, claims brought under the "Bert J. Harris, Jr., Private Property Rights Protection Act" \$100,000 Per Occurrence/Annual Aggregate |
| 4. Fire Legal Liability \$50,000 | 14. No Fault Sewer Back-up with a sublimit of \$1,000/\$5,000 |
| 5. "Insured" Contracts | 15. Pesticide Application Sublimit of \$1,000,000 or General Liability Limit, whichever is less. |
| 6. Host Liquor Liability | |
| 7. Broad Form Property Damage Subject to \$2,500 Personal Property of Others Sublimit | |
| 8. Watercraft Liability (under 52 feet) See policy form for limitations | |
| 9. Limited Worldwide Coverage | |
| 10. Additional Covered Party | |

Notes of Importance:

1. Premium is not audited.
2. Defense Costs are paid in addition to policy limits.
3. Limits of Liability are subject to Florida Statute 768.28.



MAJOR EXCLUSIONS

- Expected or intended injury
- Workers' Compensation and similar laws
- Employment-Related Practices Liability
- Employer's Liability
- Pollution
- Automobiles
- Aircraft and airports
- Damage to owned property
- Failure to supply power, electricity, steam, pressure or fuel
- Medical Payments
- Nuclear
- Health care facilities
- Hospital/Clinic Medical Malpractice
- War
- Law Enforcement Liability

This proposal is intended to give a brief overview. Please refer to coverage forms for complete details regarding exclusions and limitations.



**TOWN OF DAVIE
LAW ENFORCEMENT LIABILITY**

Term: October 1, 2008 to October 1, 2009

Company: Preferred Governmental Insurance Trust (PGIT)

Form: Occurrence

Coverage

Group A: False arrest, detention or imprisonment, or malicious prosecution

Group B: The publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right or privacy; except publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the named covered party

Group C: Wrongful entry or eviction, or other invasion of the right of private occupancy

Group D: Erroneous service of civil papers, false imprisonment, or assault and battery

Limits of Liability: \$1,000,000 per Person
\$1,000,000 per Occurrence
\$1,000,000 Annual Aggregate

Deductible: \$5,000

Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. Premium is not auditable.
3. Deductible applied to money damages and claims expenses (including investigation, adjustment and defense costs).
4. Limits of Liability are subject to Florida Statute 768.28.



MAJOR EXCLUSIONS

- Contractual Liability (except mutual aid or reciprocal law enforcement contracts)
- Workers Compensation, Employer's Liability and similar laws
- Pollution
- Asbestos, Silica and Dust
- Lead
- War
- Personal Property in insured's care, custody or control (except for property on persons at time of arrest)
- Criminal Acts
- Aircraft, Auto or Watercraft
- Employment Injury
- Non-monetary Damages
- Willful violation of penal statute or ordinance
- Failure to follow statutory procedures for seizing property under the Florida Contraband Forfeiture Act

This proposal is intended to give a brief overview. Please refer to coverage forms for complete details regarding exclusions and limitations.



**TOWN OF DAVIE
AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE**

Term: October 1, 2008 to October 1, 2009

Company: Preferred Governmental Insurance Trust (PGIT)

Limits of Liability:
(Based on 467 Vehicles)

Primary Bodily Injury and Property
Damage Liability – Combined \$1,000,000 – Symbol 1

Personal Injury Protection \$10,000 – Statutory

Uninsured Motorist Rejected

Liability Deductible: \$0 Each Accident

Physical Damage: Comprehensive – 20 vehicles, Symbol 10
Collision – 20 vehicles, Symbol 10

Physical Damage Deductible:
Comprehensive \$2,500
Collision \$2,500

Coverage and Notes of Importance:

1. Hired and non-owned liability is included.
2. Hired physical car damage is included at \$35,000 maximum.
3. Premium is based on number of vehicles and subject to adjustment if schedule is changed.
4. Symbol 10= As per Symbol 2 except coverage only applies to vehicles valued \$100,000 and above.
5. Limits of Liability are subject to Florida Statute 768.28.



**TOWN OF DAVIE
PUBLIC OFFICIALS LIABILITY
EMPLOYMENT PRACTICES LIABILITY**

Term: October 1, 2008 to October 1, 2009

Company: Preferred Governmental Insurance Trust (PGIT)

Form: Claims Made – Duty to Defend

Coverage: Pays damages the insured becomes legally obligated to pay because of a “wrongful act” arising out of the discharge of duties

POL Limits of Liability: \$1,000,000 per Claim
\$1,000,000 Annual Aggregate

EPLI Limits of Liability: \$1,000,000 per Claim
\$1,000,000 Annual Aggregate

POL Deductible: \$5,000

EPLI Deductible: \$5,000

Coverage Extensions:

1. Defense costs are included in the policy limit. The trust appoints counsel.
2. Deductible applies towards damages, “claims expense” and supplemental payments.
3. Full prior acts.
4. Broadened definition of “Who is an Insured.”
5. Non-Monetary claims are excluded, however there is \$10,000 provided for defense subject to the terms and conditions of the policy form.
6. Legal consultation services available for employee pre-termination analysis.

Notes of Importance:

1. This quotation is subject to receipt and approval of completed and signed application prior to binding.
2. Limits of Liability are subject to Florida Statute 768.28.



MAJOR EXCLUSIONS

- Fiduciary Liability
- Workers' Compensation, Employers Liability and similar laws
- Pollution
- Asbestos, Silica, Dust, Lead, Fungi and Bacteria
- Bodily Injury, Personal Injury, Property Damage or Advertising Injury
- Infringement of copyright, trademark, plagiarism, piracy or misappropriation of any ideas or other intellectual property
- War, Strikes or Terrorism
- Law Enforcement Activities
- Criminal Acts
- Failure to effect and maintain insurance
- Insured vs. Insured
- Bonds, Taxes or Construction contracts
- Collective Bargaining Agreements
- Strike and Lockouts
- Prior and Pending claims
- Damages arising out of Eminent Domain, Condemnation, Inverse Condemnation or Adverse Possession
- Workers' Adjustment and Retraining Notification Act
- Health Care Professional or Health Care Facilities
- Contractual Liability
- Capital Improvement to make property more accessible or accommodating to disabled persons
- R.I.C.O.
- Claims brought under Florida Statute 70.001 the "Bert J. Harris Jr., Private Property Rights Protection Act"
- Punitive Damages
- Non-Monetary relief except as provided in the Supplementary Payments

This proposal is intended to give a brief overview. Please refer to coverage forms for complete details regarding exclusions and limitations.



**TOWN OF DAVIE
WORKERS' COMPENSATION
GUARANTEED COST**

Term: October 1, 2008 to October 1, 2009

Insurer: Preferred Governmental Insurance Trust (PGIT)

Class Code	Description of Class Code	Estimated Payroll
5509	Street or Road Maintenance	2,739,686.27
7520	Waterworks Operations	1,955,654
7704	Firefighters & Drivers	11,106,310
7720	Police Officers & Drivers	15,621,752
8810	Clerical	5,025,995
9015	Buildings – NOC Owner/Lessee	2,011,889
9102	Park NOC – Employees & Drivers	2,114,392
9410	Municipal NOC	2,075,750

Estimated Manual Premium	\$1,912,183
Experience Modification 1.11	
Estimated Discounted Premium	\$1,232,451

Notes of Importance:

1. The "Estimated Discounted Premium" includes all applicable credits including safety program and drug-free workplace credits as per Florida Statute 440.
2. Employer's Limit of Liability is \$1,000,000/\$1,000,000/\$1,000,000.
3. Experience modification factor is subject to verification. This final amount of credit is dependent upon compliance with program requirements. Final premium subject to payroll audit.
4. The expense constant charge has been included.
5. **Payment terms are 25% down and 9 installments.**



**Town of Davie
EXCESS WORKERS' COMPENSATION
GUARANTEED COST**

Term: October 1, 2008 to October 1, 2009

Insurer: Preferred Governmental Insurance Trust (PGIT)

Class		
Code	Description of Class Code	Estimated Payroll
5509	Street or Road Maintenance	2,739,686.27
7520	Waterworks Operations	1,955,654
7704	Firefighters & Drivers	11,106,310
7720	Police Officers & Drivers	15,621,752
8810	Clerical	5,025,995
9015	Buildings – NOC Owner/Lessee	2,011,889
9102	Park NOC – Employees & Drivers	2,114,392
9410	Municipal NOC	2,075,750
5509	Street or Road Maintenance	2,739,686.27
7520	Waterworks Operations	1,955,654

Notes of Importance:

1. Self Insured Retention for employees is \$150,000
2. State taxes and assessments are not included in the premium and are the responsibility of the insured.
3. Employer's Limit of Liability is \$1,000,000/\$1,000,000/\$1,000,000.
4. Quote does not include TPA services. **If TPA is other than PGCS, first dollar TPA losses required on a quarterly basis.**
5. **Certification of Servicing for Self Insurers form filed with the State of Florida (SI-19) must be received PRIOR to binding excess WC**
6. Final premium subject to payroll audit.



CLAIMS ADMINISTRATION

Preferred Governmental Claims Solutions (PGCS) administers and closely controls all claims from start to finish. PGCS is dedicated to serving Florida governmental agencies. This team of full-time, licensed adjusters understands federal laws and state statutes governing actions against public entities. A toll-free telephone number is provided.

You will find our approach to be aggressive and protective of your entity's interests. We take full advantage of rights afforded under the law. Setting a precedent of always settling claims does not characterize the Program's position.

In case of a disaster, a 24-hour claim hotline is available.

Online Claims Access is also provided for PGIT members. This will provide you with the ability to review Adjuster's notes, payment history, reserve history and financial summary for a specific claim.



PGIT SAFETY AND RISK MANAGEMENT SERVICES

The success of any public sector community is clearly tied to its ability to protect and preserve its human physical assets. This basic premise serves as the cornerstone of an effective Safety Management program and underscores the importance of Risk Control to the community. PGIT's Safety and Risk Management Department is very aware of the valuable contribution a comprehensive risk control program makes to the bottom-line of any organization.

At PGIT, Safety consultations originate with one basic thought—Specific measures can be recommended to minimize or eliminate the exposures that cause accidents. This does not mean that the workplace become no-risk utopias, but we expect our consultants to recommend measures to control/minimize all types of accidents, injuries and illnesses to our PGIT clients' operations and premises.

Stressing our problem solving skills...PGIT is dedicated to meeting the challenge of the complex problems facing public sector organizations...disarming these problems and converting them into factors, which work to the advantage of our clients. Our emphasis approach to risk control incorporates the following elements:

- **Exposure Identification** – Assist management in determining areas where a chance of loss might exist.
- **Exposure Measurement and Analysis** – Loss analysis and a review of the consequences of the exposures will be considered to develop alternative methods of control.
- **Determination and Selection of Appropriate Risk Control Methods** – Based on measurement and analysis and after considering alternative approaches, specific recommendations and/or a custom design Risk Control plan will be formulated.
- **Training and Safety Management Consulting** – After considering client needs specific training will be formulated and initiated to fit that need. Key personnel will be provided with the basic knowledge and skills they need to meet those identified needs. Program monitoring is accomplished through follow-up surveys with adjustments to the action plan made as needed. Specialty consulting services are available if necessary.

PGIT's Safety and Risk Management Department evaluates the unique needs to each client, ultimately designing a program that is capable of being integrated into the overall risk control efforts of each client. Our management system's direction to the problem solving approach is the foundation of our Safety and Risk Management Service.



**TOWN OF DAVIE
PREMIUM RECAPITULATION**

	<u>Annual Premium</u>	<u>Check Option</u>	
		<u>Accepted</u>	<u>Rejected</u>
Property Extension to 4/1/09	\$18,942	<input type="checkbox"/>	<input type="checkbox"/>
Boiler & Machinery Extension to 4/1/09	\$ 6,077	<input type="checkbox"/>	<input type="checkbox"/>
Crime / Employee Dishonesty	\$ 5,101	<input type="checkbox"/>	<input type="checkbox"/>
\$50,000 deductible	\$ 3,185	<input type="checkbox"/>	<input type="checkbox"/>
\$75,000 deductible	\$ 2,801	<input type="checkbox"/>	<input type="checkbox"/>
General Liability	\$ 337,404	<input type="checkbox"/>	<input type="checkbox"/>
5,000 deductible	\$ 300,098	<input type="checkbox"/>	<input type="checkbox"/>
25,000 deductible	\$ 286,793	<input type="checkbox"/>	<input type="checkbox"/>
Law Enforcement Liability	\$ 200,000	<input type="checkbox"/>	<input type="checkbox"/>
25,000 deductible	\$ 150,000	<input type="checkbox"/>	<input type="checkbox"/>
Automobile Liability & Physical Damage	\$ 345,125	<input type="checkbox"/>	<input type="checkbox"/>
5,000 liability deductible 2.5k phys dam deduct	\$ 287,644	<input type="checkbox"/>	<input type="checkbox"/>
25,000 liability deductible 2.5k phys dam deduct	\$ 265,000	<input type="checkbox"/>	<input type="checkbox"/>
Public Officials / Employment Practices Liability	\$ 70,000	<input type="checkbox"/>	<input type="checkbox"/>
25,000 deductibles	\$ 57,000	<input type="checkbox"/>	<input type="checkbox"/>
Workers' Compensation	\$1,232,451	<input type="checkbox"/>	<input type="checkbox"/>
10,000 deductible option	\$1,087,671	<input type="checkbox"/>	<input type="checkbox"/>
25,000 deductible option	987,062	<input type="checkbox"/>	<input type="checkbox"/>
Excess Workers' Compensation	\$ 368,198	<input type="checkbox"/>	<input type="checkbox"/>
350,000 SIR Option	\$ 195,023	<input type="checkbox"/>	<input type="checkbox"/>

I authorize PRIA to request the underwriters to bind coverage on the items indicated above and acknowledge receipt of the Compensation Disclosure(s) provided in this proposal.

(Signature)

(Name & Title)

(Date)



Notes of Importance:

1. PGIT is not subject to the Florida Insurance Guaranty Act, in the event it becomes unable to meet its claims payment obligations. However, insured is named on excess of loss policies.
2. Quote is subject to review and acceptance by PGIT Board of Trustees.
3. Premiums are subject to change if all lines of coverage quoted are not bound. PGIT **Premiums are subject to 50% minimum premium upon binding. Property premiums are subject to 25% minimum premium upon binding.**
4. Not all coverages requested may be provided in this quotation.
5. Flood quotes from NFIP may be available. Please advise your agent if you have property located in zones A or V and would like to have separate NFIP quotes.
6. The Trust requires all Members to maintain valid and current certificates of workers' compensation insurance for all work performed by persons other than its employees.
7. **With the exception of Workers' Compensation, the total premium is due within 30 days of inception with the exception of property is due in 20 days. Premium financing can be arranged if needed.**
8. Quote is not bound until written orders to bind are received from the insured and the Trust subsequently accepts the risk.
9. Should signed application reveal differing details/data than original application received, the entire quote/binder is subject to revision and possible retraction.
10. Higher limits of liability may be available. Please consult with your agent.
11. This proposal is based upon exposures to loss made known to the Public Risk Insurance Agency. Any changes in exposures (i.e. new operations, new acquisitions of property or change in liability exposure) need to be promptly reported to us in order that proper coverage may be put into place.
12. **This proposal is intended to give a brief overview. Please refer to coverage agreements for complete information regarding deductibles, sub-limits, restrictions and exclusions that may apply.**



Retail Compensation Disclosure

In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insured's that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date that the premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

Questions and Information Requests: Should you have any questions or require additional information, please contact this office at 386-252-6176 or, if you prefer, submit your question or request online at <http://www.bbinsurance.com/customerinquiry.shtml>.



PGIT Compensation Disclosure

We appreciate the opportunity to assist with your insurance needs. Information concerning additional compensation paid to other entities for this placement and related services appears below. Please do not hesitate to contact us if any additional information is required.

Our office is owned by Brown & Brown, Inc. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so.

For the 2008 – 2009 policy year, your insurance was placed with Preferred Governmental Insurance Trust (PGIT). PGIT is an insurance trust formed by Florida public entities through an Interlocal Agreement for the purpose of providing its members with an array of insurance coverages and services. PGIT has contracted with entities owned by Brown & Brown, Inc. to perform various services. As explained below, those Brown & Brown entities are compensated for their services.

PGIT has contracted with Public Risk Underwriters (PRU), a company owned by Brown & Brown, Inc., to administer PGIT's operations. The administrative services provided by PRU to PGIT include:

- Underwriting
- Coverage review
- Marketing
- Policy Review
- Accounting
- Issuance of PGIT Coverage Agreements
- PGIT Member Liaison
- Risk Assessment and Control

Pursuant to its contract with PGIT, PRU receives an administration fee, based on the size and complexity of the account, of up to 12.5% of the premium you pay to PGIT. PRU may also receive commissions from insurance companies with whom it places your coverage, which commissions are derived from the premium you pay to PGIT. Multiple underwriters may be involved in the placement of your coverage. If so, they also may be compensated for their services from the premium you pay to PGIT.

PGIT has also contracted with Preferred Governmental Claims Solutions (PGCS), a company owned by Brown & Brown, Inc., for purposes of administering the claims of PGIT members. The services provided by PGCS to PGIT may include:

- Claims Liaison with Insurance Company
- Claims Liaison with PGIT Members
- Claims Adjustment



PGIT Compensation Disclosure (continued)

Pursuant to its contract with PGIT, PGCS receives a claims administration fee for those accounts which PGCS services of up to 5% of the non-property portion of the PGIT premiums billed and collected.

PGIT also utilizes wholesale insurance brokers, some of which (such as Peachtree Special Risk Brokers and MacDuff Underwriters) are owned by Brown & Brown, Inc., for the placement of PGIT's insurance policies, and for individual risk placements for some PGIT members (excess and surplus lines, professional liability coverage, etc.). The wholesale insurance broker may provide the following services:

- Risk Placement
- Coverage review
- Claims Liaison with Insurance Company
- Policy Review
- Current Market Intelligence

The wholesale insurance broker's compensation is derived from your premium, and is largely dictated by the insurance company. It typically ranges between 10% and 17% of the premiums you pay to PGIT for your coverage. Some wholesale brokers used by Brown & Brown to place your coverage may also act as Managing General Agents for various insurance companies, and may be compensated directly by those insurance companies for their services in placing and maintaining coverage with those particular companies.

The wholesale insurance brokerage utilized in the placement of property insurance was Peachtree Special Risk Brokers, which is a company owned by Brown & Brown Inc. Furthermore, any professional liability coverage afforded by the package of insurance you purchased was acquired through Brown & Brown Public Entity Services (BBPES), which is also a company affiliated with Brown & Brown Inc.



Wholesale Business Compensation Disclosure

Wholesale Broker/Managing General Agent: MacDuff Underwriters, Inc.

This intermediary is owned in whole or part by Brown & Brown, Inc., the parent company of Public Risk Insurance Agency. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/ Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services may be up to 15% of the premium you pay for coverage, and any compensation paid for those services is derived from your premium payment.



TOWN OF DAVIE

NOTICE OF CARRIER FINANCIAL STATUS

Brown & Brown, Inc., its subsidiaries and affiliates including Risk Management Associates, Inc. DBA Public Risk Insurance Agency ("Brown & Brown") do not certify the financial stability of any insurance carrier or coverage provider. We were unable to obtain a quotation with a carrier with an "A-" or better rating for the liability coverages. While Brown & Brown cannot predict whether the financial condition of a company might improve or deteriorate, we are hereby providing you with notice and disclosure of financial condition so that you can make an informed decision regarding the placement of coverage. Accordingly, we inform you of the following:

- Coverage is being placed with Preferred Governmental Insurance Trust ("PGIT"), which is as a Florida local government self-insurance fund established pursuant to section 624.4622, Florida Statutes (Fla. Stat.), as such PGIT is not rated by the A.M. Best Company.
- The financial condition of insurance companies and other coverage providers including local government self-insurance funds like PGIT may change rapidly and that such changes are beyond the control of Brown & Brown.
- You should review the financial and membership information from PGIT and agree to abide by the conditions of membership established by PGIT.
- You should consider the information provided, including the PGIT coverage quote and review it with your accountants, legal counsel and advisors.

* A.M. Best Rating Guide:

Rating for Stability: A++ to D = Highest to lowest rating

Rating for Assets/ Surplus: 15 to 1 - Largest to smallest rating



Guide to Best's Ratings		
Best Category	Rating	Description
Secure	A++	Superior
Secure	A+	Superior
Secure	A	Excellent
Secure	A-	Excellent
Secure	B++	Very Good
Secure	B+	Very Good
Vulnerable	B	Fair
Vulnerable	B-	Fair
Vulnerable	C++	Marginal
Vulnerable	C+	Marginal
Vulnerable	C	Weak
Vulnerable	C-	Weak
Vulnerable	D	Poor
Vulnerable	E	Under Regulatory Supervision
Vulnerable	F	In Liquidation
Vulnerable	S	Rating Suspended
Not Rated	NR-1	Insufficient Data
Not Rated	NR-2	Insufficient Size and/or operating experience
Not Rated	NR-3	Rating Procedure Inapplicable
Not Rated	NR-4	Company Request
Not Rated	NR-5	Not Formally Followed
Rating Modifier	u	Under Review
Rating Modifier	q	Qualified
Affiliation Code	g	Group
Affiliation Code	p	Pooled
Affiliation Code	r	Reinsured

Guide to Best's Financial Size Categories		
Reflects size of insurance company based on their capital, surplus and conditional reserve funds in U.S. dollars.	I	Less than \$1,000,000
	II	\$1,000,000 - \$2,000,000
	III	\$2,000,000 - \$5,000,000
	IV	\$5,000,000 - \$10,000,000
	V	\$10,000,000 - \$25,000,000
	VI	\$25,000,000 - \$50,000,000
	VII	\$50,000,000 - \$100,000,000
	VIII	\$100,000,000 - \$250,000,000
	IX	\$250,000,000 - \$500,000,000
	X	\$500,000,000 - \$750,000,000
	XI	\$750,000,000 - \$1,000,000,000
	XII	\$1,000,000,000 - \$1,250,000,000
	XIII	\$1,250,000,000 - \$1,500,000,000
	XIV	\$1,500,000,000 - \$2,000,000,000
	XV	Greater than \$2,000,000,000

Public Risk Insurance Agency always strives to place your coverage with highly secure insurance companies. We cannot, however, guarantee the financial stability of any carrier.



TOWN OF DAVIE

**STATEMENT ACKNOWLEDGING THAT PROPERTY COVERAGE HAS
BEEN PLACED WITH A NON-ADMITTED CARRIER**

The undersigned hereby acknowledges that (s)he has instructed Risk Management Associates, Inc. d/b/a Public Risk Insurance Agency to place insurance coverage(s) with a surplus lines company and understands that the insurance coverage(s) written are **not** subject to the protection and benefits of the Florida Insurance Guaranty Association.

(Name of Insured)

(Signature)

(Date)